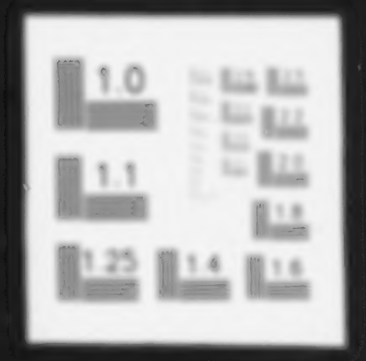

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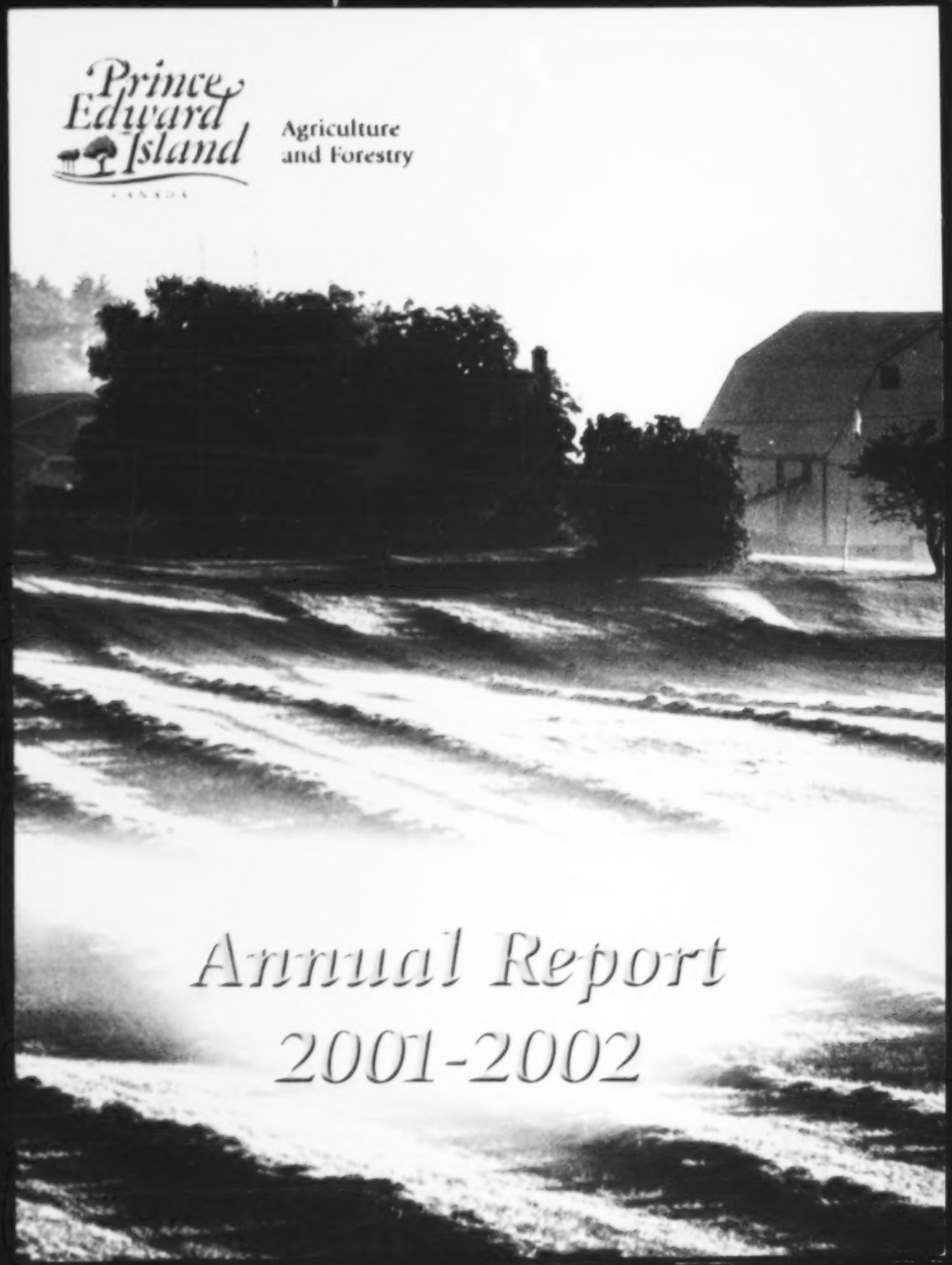
Prince Edward Island
CANADA

Agriculture
and Forestry



Annual Report
2001-2002

103-03210/

Prince Edward Island Department of Agriculture and Forestry

Annual Report 2001-2002

The mandate for the department is "to contribute to economic and community development throughout Prince Edward Island by promoting the continued operation and growth of successful, sustainable farming and forestry businesses, and promoting quality in Island primary products."

MISSION

The areas in which it is critical for the Department of Agriculture and Forestry to have acceptable results are:

- Quality of advice assistance and information to clients in:
  - production management
  - product quality
  - business and financial management
  - environmentally sustainable management practices
  - processing, marketing and business opportunities*
  - resource management and conflict resolution
  - occupational health and safety
  - industry leadership and organizational development
- Fairness, equitability and quality of department programs and services
- Client satisfaction
- Quality of monitoring of department results and client results
- Influence on decisions of other governments and agencies affecting department clients
- Cost effectiveness and the condition of the department's finances
- Impact on stability of primary resource sector income in response to market and environmental influences
- Impact of department programs and services on the quality of the environment and on the health and safety of people
- Quality of legislation and its enforcement
- State of Crown lands and assets
- Staff morale
- Occupational health, safety and welfare of staff
- Public satisfaction with the department
- Relationships with suppliers, contractors and other agencies

* *Except to the extent that another agency is charged with specific responsibility.*

Prince Edward Island Department of Agriculture and Forestry
Charlottetown, 2001

To the Honourable Leonce Bernard
Lieutenant Governor of Prince Edward Island

Sir:
I have the honour to submit herewith the 2001 Annual Report of the Department of Agriculture and Forestry.

I have the honour to be , Sir
Your obedient servant,

Mitchell Murphy, Minister
Agriculture and Forestry

To the Honourable Mitch Murphy
Minister of Agriculture and Forestry

Sir:

I am pleased to submit this report of activities of the Department of Agriculture and Forestry for the fiscal year ending March 31, 2002, along with the year-end budget summary.

A number of organizational changes took place in the past year. Along with my appointment as Deputy Minister, a new Industry Development Division was established. The past year also saw the transfer of the French Language Services Division to Intergovernmental Affairs. As a result of the government-wide workforce adjustment program, the staff complement of the department was reduced by 11 positions.

The establishment of new organizations also took place in the past year. FoodTrust of Prince Edward Island was incorporated as a private, not-for-profit organization to support the establishment of brand standards and the marketing of the "PEI Brand" under the Food Strategy. As well, a new Provincial Forest Council was established to stimulate public discussion on, and input to, the use of the Provincial Forests.

During the past year, agreement was reached in principle with the federal government on a new Agricultural Policy Framework. This supports provincial goals in areas such as sustainable agricultural production, food quality and safety, innovation and risk management.

The department updated its strategic plan in October. Staff have also been working on the development of a new sustainable resources policy and on regulations under the new *Agricultural Crop Rotations Act*. A new series of publications for woodlot owners was developed. Because of high demand under the Canadian Farm Income Program, the enhanced NISA was eliminated. The department developed and implemented a new conservation program as a successor to the Agriculture and Environment Resources Conservation program.

The department is becoming increasingly proactive on measures to increase the contribution of the agriculture and food industry to Prince Edward Island while maintaining the high quality of advice, assistance and services to the industry.

The Department of Agriculture and Forestry celebrated its 100th anniversary in 2001, which was also the 50th anniversary of the Forestry service. Commemorative events were held to mark these milestones.

Respectfully submitted,

John MacQuarrie
Deputy Minister

À Monsieur Mitch Murphy
Ministre de l'Agriculture et des Forêts

Monsieur,

J'ai l'honneur de soumettre le présent rapport des activités du ministère de l'Agriculture et des Forêts pour l'exercice se terminant le 31 mars 2002, ainsi que le sommaire budgétaire de fin d'année.

Un certain nombre de modifications organisationnelles ont pris place au cours de la dernière année. Ma nomination comme sous-ministre a coïncidé avec la création de la Division du développement de l'industrie. Au cours de la dernière année, nous avons également assisté au transfert de la Division des Affaires acadiennes et francophones aux Affaires intergouvernementales. À la suite du programme de réaménagement de l'effectif à la grandeur du gouvernement, l'effectif du ministère a été réduit de 11 postes.

Durant la même période, de nouveaux organismes sont apparus : *FoodTrust of Prince Edward Island* a été constitué en personne morale privée à but non lucratif pour appuyer la création de normes de marque de service et le marketing de la "marque Î.-P.-É." prévue sous le régime de la stratégie alimentaire. Également, un nouveau Conseil des forêts provinciales a été créé pour stimuler le débat public et les suggestions sur l'utilisation des forêts provinciales.

Au cours de la dernière année, une entente de principe a été conclue avec le gouvernement fédéral à propos d'un nouveau cadre stratégique sur l'agriculture qui appuie les objectifs provinciaux dans les domaines tels que la production agricole durable, la qualité et la salubrité des aliments, l'innovation et la gestion des risques.

Le ministère a mis à jour son plan stratégique en octobre. Le personnel a également travaillé à la formulation d'une politique des ressources durables et de règlements pris en vertu de la *Agricultural Crop Rotations Act* (Loi sur la rotation des cultures agricoles). De plus, on a préparé une nouvelle série de publications destinées aux propriétaires de terres à bois. En raison de la forte demande enregistrée dans le cadre du Programme canadien du revenu agricole, le Programme compte de stabilisation du revenu net (CSRN) amélioré a été éliminé. Le ministère a créé et mis en place un nouveau programme de conservation pour succéder au Programme de conservation des ressources agricoles et environnementales.

Le ministère s'efforce de susciter de plus en plus de mesures visant à augmenter la contribution de l'agriculture et de l'industrie alimentaire à l'Île-du-Prince-Édouard tout en maintenant la haute qualité des conseils, de l'aide et des services à l'industrie.

Le ministère de l'Agriculture et des Forêts a célébré son 100ième anniversaire en 2001, année correspondant également au 50ième anniversaire du service forestier. Des cérémonies commémoratives sont venues marquer ces grandes étapes.

Le tout respectueusement soumis,

Le sous-ministre,
John MacQuarrie

THE YEAR IN REVIEW

The summer of 2001 will go down as one of the driest summers in the memory of many Islanders. Following a relatively late spring but a promising beginning to the growing season, conditions turned hot and dry. The resulting drought cut the yields of many crops by as much as 30 percent.

That had a major impact on the bottom line: while total farm cash receipts were relatively stable because of direct payments from governments, mainly in response to the potato wart crisis, total net income was in the negative category.

Because of the drought, potato yields and shipments were cut significantly, and for the first time, imports to the province were at significantly high levels to meet processor needs. The drought came on the heels of the potato wart crisis from the preceding year and the United States ban on imports which was not lifted until April. Acreage remained stable in the 105,000 acre range.

Diseases of crops were also pronounced throughout the growing season. There was an infestation of army worms, and high grain aphid populations resulted in an increase in mosaic virus contamination.

Grain and forage crops also saw a marked increase in production, along with most of the berry and fruit crops.

Livestock production was relatively stable throughout the year. The beef industry benefitted from the new branded beef product, Atlantic Tender Beef Classic. Prince Edward Island produces about 30 percent of cattle marketed under the program.

The downturn in the softwood forest harvest continued during the year. The commercial harvest totalled 137,000 cords, compared to the five-year average of 186,300 cords. The delivered value was $33 million. There was also growth in the wood products sector, which now accounts for an estimated $21 million.

The expiration of the Canada/U.S. Softwood Lumber Agreement has limited impact on the Atlantic provinces, although they are now subject to anti-dumping duties which are expected to have little impact.

Bilan de l'année

L'été de 2001 restera dans la mémoire de plusieurs Insulaires comme l'un des plus secs qu'ils auront connu. À la suite d'un printemps assez arrosé, mais d'un début de saison de végétation prometteur, les conditions climatiques ont drastiquement changé. La sécheresse qui en a résulté s'est jusqu'à 31 jours avec des écoles de plusieurs produits.

Cela a eu des conséquences sur le résultat net – bien que les recettes monétaires agricoles totales aient été relativement stable en raison des paiements directs du gouvernement principalement en réponse à la crise de la gale verruqueuse). Le revenu net total est tombé dans la colonne négative.

À cause de la sécheresse, les rendements des pommes de terre et des céréales ont considérablement diminué et, pour la première fois, les importations à la province ont atteint de hauts niveaux afin de répondre aux besoins des consommateurs locaux. La sécheresse s'est produite peu après la crise de la gale verruqueuse commune. Il avait précédemment été interdit aux États-Unis d'importations, celle-ci n'ayant pas été levée avant avril. La superficie cultivée est demeurée basse, de l'ordre de 138 000 acres.

Des maladies de récoltes se sont également déclarées durant toute la saison de croissance. On a été informé par les vers fil-de-fer, et de larges populations de pucerons des grains ont engendré une augmentation de la contamination par virus de la mosaïque.

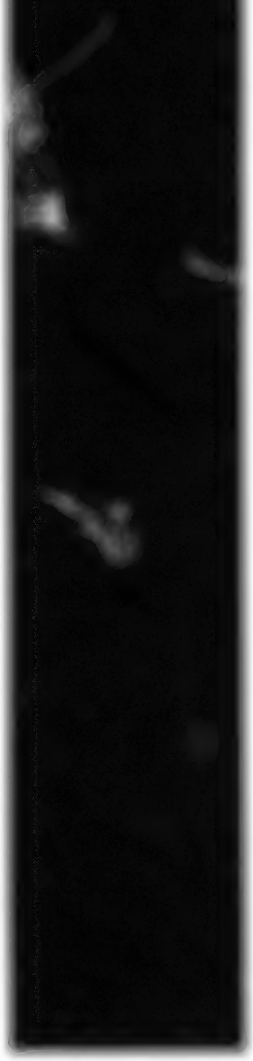
On a également assisté à une forte diminution de production de céréales et de cultures fourragères, et le même phénomène s'est produit avec la plupart des cultures de légumes et de fruits.

L'industrie de l'élevage est demeurée assez stable durant l'année. L'introduction de la race à profit du nouveau produit de marque du bœuf, *Atlantic Tender Beef Classic*, à l'Île-du-Prince-Édouard produit environ 80 jours avant de l'abattoir mis en marche en vertu du programme.

La fléchissement de la récolte forestière de conifères n'a pas cessé de se manifester durant l'année. La récolte commerciale a atteint 107 000 cordes, par comparaison à la moyenne de cinq ans qui s'élevait à 180 000 cordes. La valeur brute s'est chiffrée à 12 millions de dollars. Par ailleurs, on a connu une croissance dans le secteur des produits du bois, lequel représente maintenant 20 millions de dollars estimatifs.

Les conséquences de l'expiration de l'Entente Canada-États-Unis sur le bois d'œuvre se font pas sentir sur les provinces de l'Atlantique, et l'on ne s'attend pas à ce qu'elles souffrent beaucoup des droits antidumping et compensateurs.

Ministry of Agriculture and Forestry Acts



The Department is responsible for the administration of the following Acts:

Agricultural Crops Boards Act
Agricultural Insurance Act
Agricultural Products Standards Act
Apiologists Act
Animal Health and Protection Act
Artificial Insemination Act
Companion Animal Protection Act
Dairy Industry Act
Dairy Producers Act
Dog Act
Farm Implements Act
Farm Machinery (Safety & Welfare) Act
Farm Tractors Act
Fences and Boundaries of Dog Enclosures Act
Forest Management Act
Grain Elevators Corporation Act
Livestock Community Pasture Sales Act
Maritime Provinces Harness Racing Commission Act
Natural Products Marketing Act
Pesticides Control Act
Plant Health Act
Potato Late Blight and Potato Wart Act
Poultry and Poultry Products Act
Rabbit Fences Control Act
Veterinary Profession Act
Weed Control Act
Western Agribition Act

Introduction

During the 2001/02 fiscal year the department's expenditure budget had a net decrease of $184,000 resulting from an approved special warrant increase of $409,000 and a decrease of $593,000 as part of Government's fiscal restraint measures. The approved special warrant was for the transfer of the Employment Development Agency's Forestry Program to the Department of Agriculture and Forestry.

2000-2001 Actual Expenditures and Revenue

Division	Original Budget	Revised Budget	Actual Expenditures/ Revenue
EXPENDITURE BUDGET			
Corporate and Financial Services	$13,432,300	$12,197,300	$10,622,482
Strategic Planning & Measurement	616,000	376,000	472,927
Forestry & Land Resource Modelling Division	3,764,100	3,344,700	3,365,497
Farm Extension & Market Development	3,718,800	3,664,800	3,778,637
Regulatory & Lab Services	4,386,100	4,328,800	4,136,723
Industry Development	3,005,400	3,917,100	6,818,136
TOTAL	32,412,900	32,228,900	31,349,402
REVENUE BUDGET			
Corporate and Financial Services	353,200	353,200	1,157,452
Strategic Planning & Measurement	0	0	0
Forestry & Land Resource Modelling Division	990,900	990,900	937,623
Farm Extension & Market Development	101,300	101,300	76,428
Regulatory & Lab Services	1,471,900	1,471,900	872,471
Industry Development	1,180,000	1,180,000	487,621
Total	4,097,300	4,097,300	3,331,595
TOTAL NET	$28,315,600	$28,131,600	$27,817,807

Based on Financial Reports of September 3, 2002

Corporate and Financial Services Division

The Corporate and Financial Services Division provides financial, human resource, information technology (IT), and administrative services to departmental personnel in the areas of:

- financial management
- corporate IT management
- personnel administration
- human resource development
- administrative support services

Farm safety net programs are also administered by the Farm Income Risk Management section of the division.

Human Resources, Finance and Administration Section

During this fiscal year, the department experienced the appointment of a new deputy minister, the exit of the French Language Services Division to Intergovernmental Affairs, and the formation of a new Industry Development Division. Minor organizational changes resulted in re-naming three other divisions' - Regulatory and Laboratory Services, Farm Extension and Market Development, and Forestry and Land Resource Modelling.

The rate of recruitment activities dropped significantly from the previous year as the department stabilized after the previous re-organization. A total of four (4) permanent appointments (all part-time positions) were made while thirteen (13) employees participated in secondment/temporary assignment opportunities or in acting capacities for short periods of time.

The department continued its commitment to employee development in order to meet organizational, staff, and client needs in a professional and timely manner. One employee successfully completed an on-line Master of Science in Information Management and a second staff member has embarked on a Master Program in Environmental Law and Management. Financial resources were allocated for preparatory training and the writing of exams for Farm Extension Services (FES) staff engaged in obtaining designation as a Certified Crop Advisor. This professional certification program provides a base level of standard through testing and continuing education and the department is committed to certification for all Farm Extention Services employees by 2003.

Human Resources

Staff Mobility

Division	Appointments	Temporary Assignments /Acting	Retirements	Reclassifications	Total
Corporate and Financial Services	0	1	1	1	3
Strategic Planning and Measurement	0	0	1	1	2
Farm Extension and Market Development	0	4	2	2	8
Forestry & Land Resource Modelling	2	3	2	0	7
Industry Development	0	4	1	2	7
Regulatory and Lab Services	2	1	0	0	3
TOTAL	4	13	7	6	30

POSITION ESTABLISHMENT (as of March 31,2002)

	Full Time	Part Time	Total
Corporate and Financial Services	23	4	27
Strategic Planning and Measurement	7	0	7
Farm Extension and Market Development	36	1	37
Forestry and Land Resource Modelling	31	32	63
Industry Development	17	5	22
Regulatory and Lab Services	28	7	35
Minister's Office	5	0	5
TOTAL	147	49	196

In addition to the above established permanent positions, the department employed 159 casual employees and 16 students.

LENGTH OF SERVICE PROFILE
Classified Division
(as of March 31, 2002)

YRS. OF SERVICE RANGE	MALES	FEMALES	TOTAL
<05	27	10	37
5 - 9	12	9	21
10 - 14	13	17	30
15 - 19	17	10	27
20 - 24	23	7	30
25 - 29	17	12	29
30 - 34	6	3	9
>35	0	0	0
Totals	**115**	**68**	**183**

Average years of service for classified employees:16 years

AGE PROFILE
CLASSIFIED DIVISION
(as of March 31, 2002)

Age Range	Males	Females	Total
<24	0	0	0
25 - 29	2	1	3
30 - 34	8	5	13
35 - 39	10	6	16
40 - 44	27	13	40
45 - 49	27	14	41
50 - 54	28	23	51
55 - 59	10	5	15
60 - 64	2	1	3
>65	1	0	1
Totals	115	68	183

Average age of classified employees: 47 years

Financial Services

The Financial Services unit continues to assist departmental leaders and other personnel with the budget process and regular financial reviews. As well, this unit has the overall responsibility for the accounts payable and accounts receivable functions of the department including financial claiming activities under federal-provincial agreements. On-going support is also provided to departmental users of the ORACLE Financial Information System.

Administrative Services

The Administrative Services section serves the department's needs by providing advice, assistance and departmental co-ordination in the areas of risk management, vehicle fleet management, telecommunications system administration, contract management and reporting requirements, accommodation requirements, records management activities, as well as the provision of reception and courier services.

Farm Income Risk Management Section

The Farm Income Risk Management Section supports Prince Edward Island agriculture through the delivery and funding of agricultural safety net programs. The 2001/02 year was the second year of a three year federal/provincial framework agreement on agricultural risk management. This agreement includes a cost sharing formula, in which the federal government will contribute 1.5 times the provincial contribution, up to the maximum allowable within the federal safety net envelope. The package of programs, which is intended to assist in reducing the impact of unpredictable income reductions for individual farmers, consists of:

- Basic Net Income Stabilization Account (NISA)
- Crop Insurance Yield Guarantee Program (CIP.)
- Crop Insurance Bacterial Ring Rot Protection Plan (BRRP)
- Canadian Farm Income Program (CFIP) effective for the 2000, 2001 and 2002 claim years; including a companion program covering negative margins for 2000 and 2001.
- Farm Income Adjustment Program (FIAP)

Results Achieved in 2001/02

- Potato Disposal Adjustment Program
- Elite Seed Potato Quality Improvement Program (ESPQIP)

There is a continued need for effective agricultural safety net programs. Livestock commodity prices improved but grain margins remain low, potato prices were lower and the discovery of potato wart in a single location in the fall of 2000 restricted off-Island shipments for several months. The 2001 growing season started late as the snow was slow to melt, conditions were good for about a month and then deteriorated steadily from early summer to late fall due to lack of rain in most areas. The final result was some of the worst drought conditions in memory, plus army worm problems and high grain aphid populations, which indirectly caused an increase in mosaic virus contamination in seed potatoes. The department cooperated with industry and Agriculture and Agri-Food Canada to adjust companion programs to address the resulting farm income problems.

The Spring Cash Advance program offered by Agriculture and Agri-Food Canada was continued. The demand on the Canadian Farm Income Program (CFIP) was expected to increase significantly. In order to find the necessary funds within Part I of the safety net envelope, the Enhanced NISA was eliminated. Enhanced NISA was originally implemented for a three year period to help kick start NISA account balances. A Potato Disposal Adjustment Program was created to provide for the extra provincial funds required to pay the final amount of the Prince Edward Island-Canada Potato Diversion Program which assisted producers in coping with the trade restrictions as a result of the potato wart. Canada also allocated additional funding to compensate on a one time basis for low income experienced in the 2000-01 year. This assistance was provided in Prince Edward Island through the Farm Income Adjustment Program in the form of a direct payment to producers equal to 3.5 percent of eligible net sales. The Elite Seed Potato Quality Improvement Program combined last year's Seed Potato Incentive and Seed Potato Virus Reduction programs. The criteria for the Crop Insurance - Elite Seed Potato plan was also adjusted to ensure viability of the plan. Overall support provided to Island farmers in 2001/02 increased significantly.

CROP INSURANCE PROGRAM
Yield Guarantee

Crop Year	Farms (#)	Contracts (#)	Acres (#)	Coverage ($)	Premiums ($)	Indemnities ($)
2001/02*	291	980	72,639	42,964,609	2,938,954	10,485,800
2000/01	335	886	66,985	37,773,815	2,770,575	2,677,564
1999/00	194	477	45,627	35,853,391	2,188,217	2,519,035
1998/99	176	396	37,721	25,099,340	1,486,431	1,706,544
1997/98	151	344	26,665	23,969,615	2,171,834	822,607
1996/97	147	370	25,518	21,015,561	2,038,515	1,946,898
1995/96	163	379	24,037	23,730,283	2,212,617	1,482,610
1994/95	155	369	22,867	22,629,486	2,462,432	1,990,495

* Not all claims were settled by the end of the year.

Note: The province and Canada each contribute 25 percent of the Crop Insurance Premiums.

BACTERIAL RING ROT PROTECTION					
Year	Number of Farms	Potato Acres Insured	Insured Value	Premiums ($)	Indemnities ($)
2001/02	10	3,433	$461,358	$23,068	0
2000/01	9	2,759	$389,973	$19,499	0
1999/00	12	3,578	$505,286	$25,264	0
1998/99	21	5,249	$677,508	$33,875	0
1997/98	21	3,659	$614,950	$30,071	0
1996/97	36	8,121	$1,014,563	$50,628	$54,319
1995/96	52	11,214	$1,424,432	$71,243	0

Note: Prince Edward Island Department of Agriculture and Forestry contributed 33 percent of the Bacterial Ring Rot Protection Premiums

AIDA/CFIP Income Disaster Assistance			
Claim Year	Qualifying Applicants	Average Payment per Applicant	Total Payments
CFIP - 2000 claim year*	235	$31,942	$7,506,300
AIDA - 1999 claim year	246	$27,490	$6,762,715
AIDA - 1998 claim year	251	$25,040	$6,285,064

* Payments are cost shared 60 percent by Canada and 40 percent by Prince Edward Island and may be prorated if demand exceeds the budgeted amount. For the 1999 claim year Canada paid 59.92 percent.

NET INCOME STABILIZATION ACCOUNT				
Year	(#)	Provincial Contribution	Withdrawals by Producers	Account Balances
2001/02	887	$1,606,000	$11,703,437	$45,244,877
2000/01	888	$2,686,024	$10,624,194	$47,634,097
1999/00	862	$2,671,162	$7,618,444	$41,257,786
1998/99	816	$2,331,105	$8,795,028	$33,846,019
1997/98	745	$2,042,700	$4,149,699	$28,029,100
1996/97	707	$1,873,700	$1,476,727	$19,523,000
1995/96	638	$ 790,000	$ 510,765	$ 9,658,000

Provincial contribution is two percent of Eligible Net Sales (one percent for 1994) plus our share of the interest bonus. Canada contributes two times the amount the province contributes to NISA annually.

ELITE SEED POTATO STRATEGY FOR 2000 AND 2001				
Program	**Applicants (#)**	**Acres (#)**	**Average Pmt ($)**	**Total Amount ($)**
2001				
ESPQIP - CIP Assistance	68	6,652	5,017	341,153
ESPQIP - /acre payment	40	1,438	21,750	862,977
2000				
Virus Reduction - CIP Assistance	108	6,269	3,659	395,164
Seed Incentive/acre	39	1,433	22,056	860,181

Notes:Crop Insurance Program assistance is additional subsidy up to $75/acre for crop insurance premiums

The incentive was $600/acre for specified varieties and seed classes that were dead by August 12.

Farm Income Adjustment Program		
Applicants (#)	**Average Pmt ($)**	**Total Amount ($)**
894	5,464	4,884,426

The FIAP is a one time only payment as a result of increases in expenses and decreases in income for the year 2000. Payment is equal to 3.5 percent of eligible net sales. Funding came 100 percent from Canada through a special allocation.

PEI Contributions to Safety Net Programs				
Program	**1999/2000 Actual ($)**	**2000-2001 Actual ($)**	**2001-2002 Budget ($)**	**2001-2002 Forecast ($)**
NISA (2% to1% ENS)	2,671,162	2,686,024	2,300,000	1,574,100
CIP & BRRP	580,890	698,762	695,000	742,500
ARIF	300,000	600,000	241,200	241,500
AIDA	3,089,940	1,515,729	—	0
CFIP	—	139,288	6,655,000	4,049,000
Seed Strategy (gross)	—	1,281,345	1,300,000	1,204,000
Potato Div - Top up	—	—	0	1,305,900
Administration (gross)	521,956	565,191	636,600	669,400
TOTAL	7,163,948	7,486,339	11,827,800	9,786,100

Dollars paid to producers under federal/provincial cost shared programs (Rounded to the nearest $1,000)			
Program	**1999/2000**	**2000-2001**	**2001-2002**
1. CIP payment	2,519,000	2,677,000	10,486,000
2. NISA	7,079,000	7,856,000	4,189,000
3. AIDA/CFIP	6,285,000	6,763,000	7,506,000
4. Elite Seed Strategy	–	1,255,000	1,204,000
5. FIAP	–	–	4,884,000
6. Cash Advance	295,000	500,000	500,000
7. Potato Diversion	–	22,601,000	3,636,000
8. Other Potato Wart Expenditures	–	–	2,910,500
TOTAL	16,178,000	41,652,000	35,315,500

1. Crop Insurance indemnities paid to producers.

2. NISA amounts are total contributions to producer accounts from both governments (3 percent of eligible net sales plus interest bonus, support was 6 percent of eligible net sales in previous years)

3. Payments based on the claim or taxation year.

4. The Elite Seed strategy includes both the per acre payments for early kill down and the extra premium contribution for crop insurance protection.

5. The Farm Income Adjustment Program is the one-time 3.5 percent direct payment of eligible net sales.

6. Cash Advance represents the interest cost for the fall and spring cash advance program and is an estimated figure.

7. The Potato Diversion payments to producers for the 2000-01 fiscal period were made from a special allocation separate and apart from the safety net budgets.

8. Government also provided additional support to counteract the impact of potato wart through Food Aid - $829,000; Market Development - $1,289,000 and extra administration cost - $792,500.

Information Technology Services Section

The mandate of the Information Technology Services Section is to assist the various divisions and sections of the department in sound information management and the delivery of programs and services to clients through efficient and cost effective mechanisms.

Tools and information were added to the department's internet and intranet web sites which are utilized by both agriculture and forest industry clients as well as department staff. The goal is to maintain and enhance departmental web sites to further staff productivity and to provide information to clients that will have a positive impact on their daily business decisions.

Even with the increasing use of web applications, traditional program applications continue to play an important role in the maintenance and processing of the department's large amounts of current and historic data. While knowledge transfer, training, maintenance and upgrades for existing systems have been the

Information Technology Services Section

main focus in this area, there have also been significant contributions to the design and development of new applications. With newer operating systems providing little or no backward compatibility for DOS-based programs there has been a push to migrate, redesign or replace these applications with Windows-based applications which typically provide more functionality and are more easily supported by Information Technology staff.

During the past year, the three Novell local area networks (LANs) for the fifth floor Jones building, the Research Station and Upton Road Forestry office were combined into two when the network and workstation software was upgraded and 37 computer systems were replaced.

Network services and connectivity are provided to approximately 170 workstations with the assistance of the government wide area network (WAN). Mini LANs in each office and high speed internet in the Dairy Lab; Potato Services; and the Beach Grove, Wellington and Southampton Forestry offices allow staff convenient access to network services within the department and throughout the rest of government.

Strategic Planning and Measurement Division

Strategic Planning and Measurement is responsible for planning, monitoring, research and analysis policy development, and program evaluation. The division is committed to improving the quality of advice, assistance and information primarily to internal clients which includes the minister, the deputy minister and other department staff. External clients include staff from other provincial government departments, federal agricultural and forestry staff, industry organizations and the public.

Research and Analysis

Division staff have worked on a number of policy research and analysis projects including environment scans of water policies in other jurisdictions, environmental conservation policy tools in other jurisdictions, and in Future Farmers Strategy.

Daily environment scanning of the broader trends impacting agriculture and forestry is a critical piece in the division's portfolio. A weekly scan of market information was prepared and distributed to the minister, deputy minister and others within the department. Staff were involved with the development of the electronic briefing book for managing briefing notes for the minister.

Planning

Staff participated in several federal-provincial working groups related to renewal, bio-technology and life science economy. The department, through the division, continued to show support for corporate initiatives by supplying a resource to provide ongoing advice and assistance to the newly formed Deputy Minister's IT Governance Committee.

Staff facilitated strategic planning sessions with the Prince Edward Island Food and Beverage Processing Association, the Prince Edward Island Federation of Agriculture, the Dairy Board, the Agriculture Human and Resources Council and Conservation Club West, and facilitated a session on farm succession with

staff and industry representatives. The division also led the departmental strategic planning session held in October 2001.

The Agricultural and Environmental Resource Conservation (AERC) program, the Agriculture Industry Transition Program (AITP) and the Agricultural Research Investment Fund (ARIF) Program evaluations were completed during this period. An evaluation of the Elite Seed Potato Quality Improvement Program was undertaken. A report on Government's progress on the implementation of the Round Table recommendations was prepared in June 2001.

Staff continued with their participation in the Food Strategy in particular with the sustainability components and monitoring progress towards achievement of the goals of the strategy. Staff provided advice, assistance and project management support to the FoodTrust and in the development of the Information and Communication Technologies Strategy and Farm Net.

The division, in conjunction with an interdepartmental task team, led the development of a sustainable resource policy for the province aimed at increasing environmental sustainability of agriculture. Division staff participated in the working groups created to develop the implementation components of the policy. The division, along with the Department of Fisheries, Aquaculture and Enviornment undertook work toward a State of the Environment Report. The report, which tracks progress on a number of environmental indicators, supports the monitoring requirements of the Sustainable Resource Policy.

Work continues on the monitoring of the corporate goals. Staff satisfaction surveys were conducted for the department's strategic planning initiatives. The monitoring team conducted the *2001 Internal Client and Staff Surveys* electronically with the assistance of the department's Information Technology Section.

Financial reporting and analysis of the primary resource sector is ongoing and quarterly federal-provincial farm income forecast consultations are held. Prince Edward Island farm programs and government expenditures are reported for the compilation of the Farm Income and Financial Conditions Data Book prepared by Agriculture and Agri-Food Canada. Premium rates were prepared for the crop insurance program.

Staff from the division coordinated a bi-weekly noon-time lecture series for staff featuring progress reports on various departmental strategies as well as research projects prepared by staff within the department.

The level of client satisfaction overall is 80 percent. Satisfaction with specific areas of responsibility ranges from 69 percent to 90 percent.

Evaluation

Policy Development

Monitoring

Lunch and Learn

Our results

Farm Extension and Market Development Division

Farm Extension Services

Farm Extension Services (FES) was established as a section under the Farm Extension and Market Development division. Its primary focus is on-farm agricultural extension, agricultural information management, and an increased role in industry development. The section promotes a strong interaction between its three staff groups — agriculture information officers/representatives, specialists and extension agrologists to provide a unified service to producers.

This year, five additional staff achieved Certified Crop Advisor status ensuring continued high quality and valuable service to clients.

The following provides highlights of the efforts of the three staff groups:

Agriculture Information Officers/Representatives

Agriculture Information Centres, one in each of the district offices, provide clients with a first point-of-contact for information on commercial agriculture. The staff are experienced in handling producer inquiries - from providing recommendations to simple production problems to ensuring that clients' inquiries regarding complex agricultural issues are addressed. The department hours of 8:30 a.m. to 4:00 p.m. are not necessarily convenient at all times for producers, therefore requests for information and forms after the normal working hours can be directed to an answering machine via the toll free number, 1-866-PEI-FARM (734-3276). The next working morning the information officers respond to the request. The six-member staff also assists with training programs organized at a district and provincial level. Web-based information continues to grow in popularity with producers.

Industry Development Officers/Specialists

The unit consists of eight industry development officers/specialists, two technical staff and a supervisor. The commodities include: potato, dairy, beef, reduced input/organic, vegetable, berry crop, field crops, and farm management. The traditional role of the specialist/development officer was expanded to include a commodity development function. Staff work closely with their corresponding commodity association/board to initiate industry development projects or action items from strategic plans. The specialists were involved in development of new crops with food companies, conducted on-farm research and supported development of branded products. The unit has taken a lead role in developing diversification ideas which show potential on Prince Edward Island.

During the past year, a number of new projects were started including the research and assessment of district heating systems using straw burning units. This project was undertaken in cooperation with the East Prince Sustainability Group. Cranberry marketing took a big step forward this year with a major industry marketing conference hosted in Charlottetown as well as new offers from local companies developed to value cranberry crops. An Atlantic Branded Beef Management group was formed to further develop the Atlantic Tender Beef Classic brand. A number of on-farm research projects were undertaken in

Agriculture Information Officers/ Representatives

Industry Development Officers/ Specialists

organic agriculture production. The specialist group also conducted research in potatoes, tomatoes, processing peas and assisted the dairy industry with management of its research program.

Extension Agrologists

Ten extension agrologists work out of district offices located in West Prince, Summerside, Charlottetown, Montague and Souris. Agrologists provide a strong one-on-one extension service and collaborate with other staff and industry to develop and deliver commodity specific events or district, provincial, regional and national levels. Examples include: farm succession planning workshops, the Atlantic Cranberry Management Course, district beef and dairy workshops, overview of potato workshops, and the Canadian Agricultural Extension Council annual meeting.

Agrologists are proactive in ensuring producers have the information needed to make informed decisions. Decision areas include: assisting producers with production and management issues, expansion options, identifying training needs, and farm succession. Agrologists are also involved in the promotion of departmental policies, programs and services, environmental farm plans, pesticide certification, and awareness and interpretation of environmental legislation.

Extension Agrologists

Market Development Section

The Prince Edward Island Food Strategy was introduced in the Speech from the Throne in November 1998. The initiative resulted in greater emphasis being placed on the production and marketing of high quality food products from sustainable systems. It will help ensure increased prosperity for those involved in the food sector and help to improve the vitality of Island communities.

The goals of the Market Development Section include:

- Providing leadership, influence and education to clients in primary agriculture and the value added products sector in forestry.
- Reducing the economic risk in the primary resource sector in response to commodity market influences through a branding approach.
- Improving public satisfaction in areas where the department has responsibility by:
- Improving client satisfaction with departmental programs and services;
- Improving staff morale and performance; and
- Improving the impact of programs on the quality of the environment, community vitality and natural resources of Prince Edward Island.

The resources of the section are directed toward measurable progress and achievement of these goals. The following is a description of the specific work within the section along with the respective programs and activities and key milestones achieved to date.

The section was initiated in October 1999 to begin work on the branding element of the Food Strategy. Its primary function is to secure new market opportunities for premium products developed under the auspices of the Food Strategy and gain market access and distribution for those products which meet the criteria of quality food from sustainable production systems. The FoodFirst brand was developed as a communication tool to focus these activities.

FoodTrust of Prince Edward Island, a governance body composed of industry representatives as Prince Edward Island's life sciences cluster, is responsible for identification, implementation and communication of these principles to each company involved in fostering safe products as it has since the inception of the food industry. To date, [illegible] companies in particular in public program in the food trade. Volunteers have been established which exist as a public life, a sustainable, self-funding entity in the future.

The actions

- to actively engaged in guidance and support of FoodTrust and its mission to help its clients with strategic market development and branding issues;
- to also engaged in seeking distributor partners and assisting supply chain issues in promoting the strategy of the retail and consumer level. These services include establishing up the export centres of the service's workbook. Further work will include establishing a food service, e-commerce, tourism and hospitality aspects to the brand;
- to also concentrating on networking with leading stakeholders and officials in developing the concept of healthy food from a sustainable environment and promoting the development of an Integrated Prince Edward Island brand identity;
- to networking with various associations and organizations to facilitate food program delivery and to bring the concept of the Food Strategy home to Prince Edward Islanders in general.

The Milestones

- Food Strategy announced in November 1999 Throne Speech.
- November 1, 2000 marked the inaugural meeting of the Food Alliance, an industry led governance body created to guide the implementation and communication of the Food Strategy.
- FoodTrust brand was developed, completed in May, 2000.
- FoodTrust of Prince Edward Island limited created in August 2001 as a private not for profit company after consultation with industry stakeholders.
- Value for expression of interest in a pilot-test market program in the retail trade was made in September 2001. FoodTrust is currently working with 20 companies in the retail market trial phase of the project.
- Agreement has been reached with an established integrated food company to provide supply chain management capability to FoodTrust.
- Discussions with the retail trade commenced in January 2002 with the details of a retail partnership are currently being resolved.

[illegible] Development Division

The Industry Development Division has a [illegible] ranging [illegible] [illegible] to [illegible] agricultural [illegible] [illegible] [illegible] administers a [illegible] development program [illegible] [illegible] [illegible] [illegible] [illegible] Milk Program, Marketing Council, supply [illegible] supply, managed commodity [illegible]. Women's [illegible] [illegible] [illegible] [illegible] agricultural [illegible].

The division has been involved in [illegible] [illegible] [illegible] [illegible] [illegible]

The Pesticide Reduction Pilot Program (PRPP) was carried out on 13 farms to demonstrate options for reducing the use of pesticides in commercial agriculture in Prince Edward Island.

Growers were awarded funding to cover all eligible expenses in implementing an innovation that could result in an overall pesticide reduction on their farm. Year two of a three-year Integrated Pest Management (IPM) pilot project with four commercial potato growers was carried out in 2001 in cooperation with Agriculture and Agri-Food Canada Crops and Livestock Research Centre. An IPM protocol for potato production in Prince Edward Island was discussed and finalized with input from potato producers in the province.

The farm weather forecast was offered to 78 producers and interested government and agribusinesses again in 2001. The same five weather stations were used to provide a specific forecast in three hour increments. Subscribers to the service also received updates on the blight severity index. The weather monitoring network was also used in IPM projects.

Department representatives continued to work with other government representatives, industry associations and other non-government organizations to provide technical and financial support for farms with the specific objective of eliminating livestock access to watercourses by 2003.

Sustainable Agriculture staff provided input to the development of regulations for the *Agricultural Crop Rotations Act*. They also provided information to producers on ways to meet the requirements of the legislation.

Increased awareness of manure management and nutrient management practices is continuing. The department cooperated in the publication of a document outlining the best management practices on Agricultural Waste Management. A publication on Nutrient Management Strategy Technical and Policy Options for Nutrient Management Planning in PEI was produced.

A mailing was sent to row crop producers with two information cards on ways to prevent fish kills. A fact sheet was also produced on composting sea food waste and another on composting deadstock.

Sustainable Agriculture staff continued to provide technical advice on irrigation for crop production. They also continued to provide technical advice to support industry initiatives such as Environmental Farm Planning. They have made a key contribution to the Soil Quality Monitoring Project and cooperate in research in a variety of ways. Staff continue to respond to public complaints about farming practices.

Farm Practices Review Board

The Farm Practices Review Board met twice during the year. In cooperation with the department, the board produced one fact sheet on *Due Diligence*. Board staff dealt with number of inquiries and one complaint was settled through mediation.

Prince Edward Island School Milk Foundation Ltd.

The Department of Agriculture and Forestry supports the province's school milk program. Staff provided advice, assistance and information to the School Milk Foundation board of directors in planning, coordination and program implementation. The mission statement of the School Milk Foundation ensures that milk is provided, with white milk at the lowest possible prices, to schools for

Farm Practices Review Board

School Milk

students in grades K-12 inclusive, and will provide materials and programs for nutrition education.

Sixty-seven Prince Edward Island schools consumed 676,699 servings of white milk at a total wholesale value of $246,366 during the 2000-2001 school year. Teachers and students in elementary schools enjoy the Club Moo program which offers milk drinking incentives and nutrition education activities to grades one to six. A peel-ticket promotion encouraged grades 7-12 students to continue the milk-drinking habit. Arrangements were made to have kindergartens join the milk program in the 2001/02 school year.

Food Safety

The Industry Development Division continues to be active in food safety at both the provincial and national levels. In the past year, the division has played a key role in the development of the Food Safety Chapter as part of the national Agricultural Policy Framework. Other national involvement included participation in the development of a national recognition protocol for Canadian on-farm food safety programs and participation in the technical review of the Chicken Farmers of Canada's food safety program. At the provincial level, the department has a supportive role in the local implementation of the industry-led, national commodity programs. Such support includes participation in commodity on-farm food safety steering committees, general awareness, project development and on-farm consulting. In addition, the Division has assisted in organizing training sessions for both farm owners and farm employees through partnership with the Agricultural Human Resource Development Council and the Prince Edward Island Food and Beverage Processing Association.

Community Pastures

The privatization of the community pastures is nearing completion, with five of seven pastures being legally conveyed to the individual community pasture associations. In the coming months, the final two groups are expected to sign similar agreements.

Harness Racing

The Industry Development Division works closely with the Prince Edward Island Harness Racing Industry Association in administering the provincial support for the industry. A five-year strategic plan for the industry has been developed, which has achieved targets in the first two years of implementation.

The 2001 season was very positive for harness racing in the province with wagering increasing by sixteen percent, the highest level of growth experienced in any province in Canada.

Prince Edward Island standardbreds are in demand across North America and market prices are at an all-time high.

In 2001, Prince Edward Island hosted the Atlantic Breeders Crown, which was an overwhelming success. More than five thousand people attended the championship final racecard, and the total attendance and wager were the highest ever experienced by the Charlottetown Driving Park for a non-Old Home Week event.

Marketing Council

A revised federal provincial agreement for chicken was signed during the year after extensive discussions among producers, governments and supervisory

Food Safety

Community Pastures

Harness Racing

Marketing Council

agencies across the country.

The Prince Edward Island Wild Blueberry Growers Association was named as a commodity group under the Natural Products Marketing Act.

Women's Institute

Women's Institute

The department provides financial assistance to the Prince Edward Island Women's Institute, representing nearly two thousand members province-wide, for the ongoing development of programs and activities.

4-H Program

4-H Program

In today's rapidly changing society, Prince Edward Island's rural youth are facing greater challenges than ever before. The future of both the Island's rural community and the young people that will be its leaders will, in large measure, be determined by the impact and influence of 4-H and the programs and services it offers.

The Prince Edward Island 4-H Council is working hard to ensure it maintains a high quality program of life skills projects, leadership and communication development programs and community and agriculture awareness projects for its membership of 860 members, 380 leaders in 36 clubs.

Regulatory and Lab Services Division

Regulatory and Lab Services Division has the mandate for plant health and sustainable agriculture research as well as for the delivery of soil, feed, dairy and plant disease diagnostic services. The division is also responsible for the review, maintenance and enforcement of the legislation for which the minister is responsible.

Regulatory Services Program

Regulatory Services Program

Apart from the Pesticides Control Act and the Plant Health Act, this section is responsible for the maintenance and enforcement of 14 different acts including:

- Agricultural Products Standards Act
- Agricultural Crop Rotation Act
- Animal Health and Protection Act
- Swine Health Regulations
- Dog Act (Contracted to PEI Humane Society)
- Fences and Detention of Stray Animals Act
- Companion Animal Protection Act (when proclaimed)
- Bee Health Regulations

The section also has administrative responsibility for an additional eight acts where active enforcement programs are not currently in place. Department management has reviewed the twenty-eight statutes for which the minister is responsible and a system process for review and update of these statutes, and corresponding regulations, was initiated, led by the section. The section also provides investigative support for environmental legislation as applied to agricultural situations.

Potato Quality Program

The focus of the Potato Quality Program is the enforcement of the provisions of the *Plant Health Act* and potato regulations, which involves issuing planting audits, transport vehicle disinfection and post-harvest virus testing. Additional programs include potato disease prevention audits and farm disinfection services, disposal of cull potato piles and the issuance of permits to maintain the quality standards for seed potatoes originating outside the province.

The department and the Canadian Food Inspection Agency continue to work together on a number of related fronts to develop new strategies to protect the health and productivity of our Island potato fields.

In 2001, the Potato Quality Program delivered 52,790 disinfection service calls to transport vehicles and farm related equipment; 990 inspection and audit activities in support of cull potato disposal and planting standards; 1,233 supervised sample collections for post harvest virus tests; and 113 permits representing approximately 415,656 cwt of seed issued for the planting of potatoes originating outside of the province.

Potato Quality Program

Pesticide Regulatory Program

The Pesticide Regulatory Program maintains responsibility for ensuring that farm and commercial pesticide applicators have the necessary knowledge and skills to apply pesticides in accordance with product labels and the laws of the province. A total of 900 unscheduled visits were carried out on private and commercial premises to check for compliance under the *Pesticides Control Act* and Regulations. To augment program enforcement, the department's pesticide regulatory program enforcement policy was strengthened and compliance patrol activity included early morning and late evening spot checks.

The department's 1-800 Pesticide Regulatory Line received 68 pesticide-related inquiries and 76 public complaints during the year. Most complaints concerned spray drift and inadequate buffer zones in agricultural operations. Improper notification associated with landscape or structural pesticide applications was also a common complaint.

At present, over 2,100 people have received pesticide applicator certification, including 400 individuals who were re-certified in 2001. There are 61 licensed commercial applicators on Prince Edward Island: aerial (1); agricultural (4); forestry (3); landscape (21); structural (22); and other (biting fly or fumigation) (10).

A new pesticide training manual for Prince Edward Island's private farm applicators is in the final stages of development.

Pesticide Regulatory Program

Soil and Feed Laboratory

Over the past year the laboratory has completed an accreditation process with the Standards Council of Canada for feed programs and obtained its accreditation certificate.

The laboratory has continued to provide services in nutrient management planning. It has also worked closely with Phillips Analytics to develop methods that will enable the use of the IRIS Advantage ICP Emission Spectrometer for soil, feed, and water sample analysis. This will substantially increase the quality of service and speed of sample through-put.

Soil & Feed Laboratory

Dairy Laboratory

Plant Health & Diagnostics Laboratory

In accordance with sample verification and international calibration protocols, the Soil and Feed Lab exchanged samples with:

- National Forage Testing Association (NFTA) for age samples
- North American Proficiency Testing Program (NAPT) for soil and plant tissue samples
- Association of American Feed Control Officials (AAFCO)

Our laboratory continues to rank among the very top soil and feed laboratories in North America processing over 18,000 samples and generating revenue in excess of $155,000.

Dairy Laboratory

During this fiscal year 200 dairy farm inspections were conducted, 101 re-inspections were carried out and 424 on-farm quality calls were made by inspection staff.

In addition, 11 licensed milk processing plants were inspected with follow-up inspections as required.

Plant Health Research and Diagnostics Laboratory

In addition to its mandate in plant health research, this section is responsible for the provision of a plant disease diagnostic service, an aphid alert advisory service and a pest information service. The major focus of program activity continues to be the potato industry. The diagnostic laboratory processed 500 samples this year. The aphid alert program was expanded to serve 80 producers and associated producer groups.

The section is currently involved in a long term project to systematically monitor the health and soil quality of soils across the province. A variety of research studies arising from this project are underway to provide information on sustainable crop production systems and the development of disease-suppressive soils.

Research was conducted to show the benefits of including clover in potato rotations. The findings demonstrated than when clover is incorporated into a rotation with Shepody potatoes the amount of nitrogen fertilizer required could be reduced by approximately 40 kg per ha. However, if the preceding clover crop was the cultivar AC Kingston, the marketable yield for Shepody was increased by 10-15 percent in the more profitable tuber size categories.

Forestry and Resource Land Modelling Division

The Forestry and Resource Land Modelling Division provides advice and assistance directed toward improving the environmental friendliness of farm and forestry operations, and services related to forest inventories and land use. The division's primary clients are woodlot owners and other land users. Other clients include forest contractors, wood products manufacturers, and forest resource users.

Efforts focus on improving the environmental friendliness of farm operations such as intensive livestock operations, and the sustainable development of pri-

vate woodlots and Provincial Forest lands. Support is also offered through programs such as the production of tree seedlings for reforestation programs on private and Provincial Forest lands, and special reforestation projects; and forest inventory and tree improvement programs. Forest fire suppression on private and public lands is also the responsibility of the Forestry and Resource Land Modelling Division.

Private Land

Private Land

The division offers technical advice and financial assistance to woodlot owners who want to reforest and manage their forest lands through the Forest Renewal Program. In 2001, some 2,072,700 seedlings were shipped for planting on private lands across the province.

Maintenance was completed on 751 hectares of previously established private land plantations. As well, client uptake continued to be good for the new pruning, and plantation cleaning incentives. Both of these treatments will help to improve the growth and quality of private land plantations.

Private land staff also continued to participate in a variety of forest education opportunities for Island woodlot owners and school students. In this fiscal year, staff participated in several tours and workshops organized by land owner groups. These events were designed to increase land owner awareness of forest management and reforestation techniques and how they could apply this information to their own land. Private Land Program staff also provided woodlot tours to school groups.

The first in a new series of woodlot owner education brochures was released in 2001. The "Woodland Notes" will focus on forest management and harvest concepts in order to provide land owners with the basic information they require to make informed choices for their forest land. Brochure #1, "Selling Wood From Your Land. What you should know - What you should consider" was an instant hit with many land owners who were considering selling stumpage on their lands.

Prince Edward Island is the only province in Canada without a model forest or model forest adjunct. Last year, the federal government offered Prince Edward Island an opportunity to participate in a "Beyond the Boundaries" program whereby a model forest reaches out beyond its boundaries and shares its successes and experiences with other organizations. It also helps other organizations develop special projects which build on the achievements of the Canadian Model Forest Network and contribute to local forest communities.

Staff from the Private Land Program, and the Forest Improvement Association, in cooperation with the Nova Forest Alliance, worked through an ad hoc model forest working group towards a model forest outreach program for Prince Edward Island.

Provincial Forests

Provincial Forests

Forest Improvement work continued on the 18,300 hectare Provincial Forest System. Provincial Forests were proclaimed in August 2000 to enable the province to enhance the economic and operational efficiencies obtained with the management of large forest blocks while ensuring that these forests are managed to ensure long-term wood supply; recreation opportunities; training facilities; job creation; and other societal needs.

General Fire Situation & Statistics for 2001

The Provincial Forest Program coordinates the tree planting program for private and public lands in the three districts. In 2001, 331,100 tree seedlings were planted on 109 hectares of the Provincial Forests. As well, 1.9 kilometres of new forest access roads were constructed, while 66 kilometres of roads were maintained or upgraded.

Under the supervision of Provincial Forest staff, seasonal forest workers completed ten hectares of manual plantation maintenance, thinned 15.3 hectares of softwood, and cut 2,262 cords of wood.

An additional 49 hectares of chemical plantation maintenance was conducted under tendered contract to the private sector. A total of 80 hectares of mature and over-mature timber were harvested and, along with harvested wood sales, brought in revenues of $259,000 in 2001. This revenue was reinvested into the management and care of Provincial Forest lands.

Provincial Forest staff completed the installation of Provincial Forest identification signs on properties across the Island. These signs were erected to inform Islanders about the location and management of this public resource and to encourage Islanders to visit and use these properties for outdoor recreation.

The second annual Forest Frolic was held on the New Harmony Demonstration Woodlot. Some 74 participants came to walk the 4.5 kilometre or run the 13.2 km trails and enjoy the natural beauty of the Provincial Forest in fall. Diversity enhancement programs continued at the Brookvale Nordic Ski Park.

Silviculture worker jobs, formerly supported by the Employment Development Agency, were converted to casual positions with the department.

General Fire Situation and Statistics for 2001

The 2001 fire season was marked by an extended drought through the summer months. Some 46 forest fires burned approximately 30 hectares.

CAUSE	NUMBER OF FIRES	AREA BURNED (HECTARES)
Recreation	0	0
Resident	4	2
Forest Industry	0	0
Railroads	0	0
Other industry	14	10
Incendiary	4	1
Miscellaneous	10	0.28
Lightning	0	0
Unknown	14	16
TOTAL	46	29.28 ha

Fire Prevention Activities

The forest fire weather index (FWI) components were calculated by the department this year from the base meteorological data at three sites using REMS software. It is programmed to automatically fax or E-mail the FWI code to cooperating agencies. The numerical rating for fine fuel moisture content, duff moisture code, drought code, initial spread index, buildup index, and the fire weather index was then conveyed to the district offices, headquarters, and cooperating agencies for posting. The wildfire danger rating was provided to the local radio stations, Meteo Media, ATV, and MITV, newspapers and other departments through Island Information Services and posted to the government web site at http://www.gov.pe.ca/

The Central District supervisor, with assistance from Provincial Forest Program staff and staff from the rest of the Forestry and Resource Land Modelling Division, provided fire suppression and security for the participants at Canadian Jamboree 2001. Held at Cabot Park from July 7 - 13, 2001, this event attracted some 14,000 scouts, leaders, and organizers from across Canada and 23 other countries across the globe.

Training

Fire preparedness workshops were held at the district offices. Training courses were provided to local fire brigades, department silviculture crews, and staff from the Holland College Renewable Resources Management program.

Public Forest Council

The Province established a Public Forest Council in 2001 to:

- Stimulate public discussion on the wealth potential of the Island's 33,200 hectares of public forest land, primarily in the areas of non-consumptive and non-traditional uses;
- Consult with community organizations, community development groups, and private sector entrepreneurs with respect to forest wealth creation opportunities on provincially owned forest lands;
- Review and evaluate proposals for non-consumptive and non-traditional uses;
- Solicit proposals and recommend the allocation of standing round wood forest products from Provincial Forests;
- Review the results of public consultations on public forest land management and provide comments to the Minister in this respect.

Council membership is comprised of six private sector representatives, two Forestry and Resource Land Modeling Division staff members, and one staff member from the Department of Fisheries, Aquaculture and Environment. Dr. Ian MacQuarrie as Council Chair was selected from the six private sector members. The Council's representation includes broad-based expertise relevant to the forest resource and the types of proposals which would likely be brought forward. Forest biology, business economics, community development expertise, forest management, and/or tourism industry expertise are also skill sets sought on the council.

In March 2002, the council held public meetings in Montague, Cornwall and Mill River to increase awareness of the Island public forest lands and to obtain public input into the development of non-timber products from these lands. The three meetings were well attended and participants offered a range of ideas and

Fire Prevention Activities

Training

Public Forest Council

concerns which the council will consider in its report to the minister. Exhibits of existing non-timber forest products were displayed at each meeting.

Forest Policy

Forest Policy

The down-turn in the Island's softwood industry continued in 2001-02 as markets conditions softened. The commercial harvest of softwood fibre in 2001 totaled 157,700 cords. This compared with an average of 186,320 cords per year over the previous five years. In 2002, the department estimates that the harvest will increase as export markets improve and prices for sawlogs increase.

Georgetown Timber, the largest buyer of softwood on Prince Edward Island, accounted for almost 31 percent of the annual harvest of all softwood forest products in 2001 and 80 percent of the on-Island production of softwood lumber in 2001. However, these numbers are down from last year. Due to the ongoing lumber dispute and low prices, the mill closed from October 2001 - January 2002.

The harvest and processing of this wood created employment for almost 1,000 Islanders (direct and indirect) and had a delivered value of approximately $33,000,000. Secondary processing (cabinets, flooring, furniture, etc.) contributed another estimated $25,000,000 in 2001. The majority of the harvest occurred on private lands and is focussed on old field white spruce stands and mixed (softwood/hardwood) wood stands which are at, or are reaching, maturity.

Besides the market downturn in lumber prices, the forest industry was concerned with the implications from the termination of the Canada/US Softwood Lumber Agreement. In late July 2001, the Atlantic Provinces received news that they would receive an exemption from the countervail duties but would be subject to anti dumping duties. The anti-dumping duties should only have limited repercussions for the region's softwood lumber industry.

Certification issues have not died but the orientation of the major industries in the Maritimes has switched to an emphasis on the American Sustainable Forestry Initiative, a program of the American Forest and Paper Association. The International Standards Organization is still active and Canadian Standards Association certification is still being pursued by some industry and owner groups. The Forest Stewardship Council activity was minimal as the organization attempted to restructure itself in the region. Although none of this activity affected Island woodlot owners directly, they will likely experience the impact of industry's certification decisions in the future marketing of their products.

Forest Information

Forest Information

The Forest Information Program coordinates general awareness and youth education programs related to Island forests and provides communications support and planning services to various division programs.

In 2001, forest information in cooperation with the Provincial Forest Program hosted Prince Edward Island's first ENVIROTHON. ENVIROTHON is a voluntary science education program for senior high school students which emphasizes basic skills in forestry, soils, aquatics and wildlife sciences. Teams from Charlottetown Rural High School and Bluefield High School participated for the right to represent the Island at the international ENVIROTHON, with Bluefield High School winning the right to go to Mississippi in July 2001.

Forest Information oversaw the planning and implementation of events surrounding the 50th anniversary of the establishment of the Island's first forest service. Working with the theme "1951 - 2001: Fifty Years of Service to the Island's Forest Community," staff participated in a wide range of tours, open houses, parades, and special events designed to celebrate this occasion and increase awareness of the Island's forest resources.

A special program to provide free seedlings to Island new born's was announced. This program worked with the Welcome Wagon's "Baby Welcome" program, by providing new parents with a certificate which entitles them to receive a free red oak seedling which they can plant to mark the occasion. Red oak is the provincial tree. These seedling are produced at the J. Frank Gaudet Tree Nursery in Charlottetown, and distributed through the Forest District Offices to all interested parents.

Resource Inventory and Modeling Section

Aerial photographs

Aerial photos were taken during the summer of 2000 as the basis for the 2000/02 Prince Edward Island Corporate Land Use Inventory. The photographs are being used as colour prints for photo interpretation, and black and white scanned images as the basis for orthophoto maps. The scanned images are also available for other uses.

Scanned images are being distributed on CD for a price of $25 per cd. There are 34 CDs in the set. As well, the complete series of Prince Edward Island aerial photos from 1933, 1958, 1974, 1990, and 2000 is now available on-line free of charge as jpg files from the government web page at *http://www.gov.pe.ca/aerialsurvey/index.php3*. Each file is approximately 2 megabytes.

Orthophoto Map Production

The detailed scanned images of the aerial photography were used to create digital orthophotos using special software. Ground control used to register and correct the images included existing digital basemaps, digital contour lines (two metre contour) and where ground control was not available from the digital basemaps, Global Positioning System (GPS) coordinates were collected. Accuracy is +/-2 metres and the maps were being created in NAD83 datum, Prince Edward Island double stereographic projection. The final pixel resolution of the orthophoto maps is one metre.

The work was done in-house and as of March 31 2002, 95 percent of the province had been completed. The completed maps are being used as a backdrop for many products.

Photo Interpretation

The photo interpretation began in late 2000, and by the end of March 2002 was 60 percent completed. Unlike past inventories, the 2000/02 inventory is determining all land use and cover, not just forest cover; therefore, more time is being spent by the interpreters outside the forest than inside. The project has combined the specifications from the 1990/92 forest inventory with the 1993 wetland inventory and added all the other land and water inside the province. Agricultural crops and field boundaries are being captured, and developed areas

Aerial Photographs

Orthophoto Map Production

Photo Interpretation

Digitization

Field Plots

Agricultural Crop Rotation

Inventory Updates

Sample Plots

are being described as to use and cover.

The photo interpreters were provided with the 1990/92 inventory information and the ground checked information as well as other field measurements. The interpreters utilized the 1990/92 polygon boundaries when appropriate. Existing information was put into a data entry program for easy changes/updates. A random number of areas are ground checked by field staff before a map sheet is accepted.

Digitization

In order to produce a new land use and land cover maps, the 1990/92 inventory line work was used as a starting point and modified as indicated by the photo interpreters. The line work is being digitized on top of the new orthophoto maps. An additional step in the process is the digitization of new forest access roads and large buildings (one dimension over 30 metres). This work is being done in-house and as of March 31, 2002, 27.1 percent of the province was complete and 73.6 percent of the agriculture field boundaries were captured.

Field Plots

Field plots were established on a sampling grid across the province. Approximately 300 plots were established in 2000, with a further 300 plots established in the 2001 field season. An additional 75 plots were established on Provincial Forest properties in the Eastern District.

At each plot, location, trees, shrubs, regeneration, herbaceous vegetation and soils are examined and details recorded. The plot methodology follows the new National Forest Inventory (NFI) standards.

Computer programs are being revised for the processing of the field plot data.

Agricultural Crop Rotation

2001 was the sixth year for the determination of major agricultural crops using LANDSAT TM data. The satellite images were obtained and the work will be carried out in-house.

A detailed slope mapping project was carried out using a three metre by three metre grid and the existing two metre contour mapping. The resulting maps show all land in the province with a slope of greater than or equal to nine percent. The areas smaller than one hectare were excluded from the mapping. This work, known as the Prince Edward Island Land Slope Database, will be used as the basis for the enforcement of the new legislation which prohibits certain agriculture crops from being grown on slopes greater than or equal to nine percent.

Inventory Updates and Change data

Plantation establishment data is annually added to the G.I.S. system and provided to the field offices via the Intranet. Updating of the locations of non-G.P.S. ed, pre-1998 plantations is being done as part of the 2000/02 inventory project with the help of the district staff.

Growth and Yield, Permanent Sample Plots

The existing Permanent Sample Plot (PSP) program continued with 181 plots receiving fourth or fifth measurement. Each plot is re-measured every three years.

Site Classification

A joint project with the Nature Conservancy of Canada and The Nature Conservancy of the United States was initiated. The work involved the determination of Ecological Land Units (ELUs) from bedrock geology, surficial geology and slope position.

Seedling Production

The Forestry Division continues to produce quality tree seedlings for reforestation projects as well as to serve as a wholesale ornamental tree and shrub nursery supplying the retail landscape trade in the province. In 2001, some 2.2 million seedlings, representing 12 softwood species and 10 hardwood species were planted on cut-over and special needs areas across the province.

Staff from the nursery also continue to interested groups and individuals to Prince Edward Island's largest seedling production facility. In 2001, 950 people toured the J. Frank Gaudet Tree Nursery facility. The nursery also offered advice and assistance on insect and disease problems for ornamental plants, trees and shrubs, as well as advice on landscape problems to thousands of property owners and provided insects and disease analysis for 178 samples. Extension staff also made 32 site visits with landscapers and rural communities to provide detailed information on landscaping and plant health issues.

Nursery staff delivered a 30-hour ornamental horticulture course for golf course through the Atlantic Tourism and Hospitality Institute. The course will help golf course developers and staff establish and maintain plant materials which enhance and promote the value of golf courses.

Nursery staff hosted the 39th annual Atlantic Forest Nursery Conference. Some 35 delegates from across the region gathered to discuss issues relating to the production of tree seedlings. Staff also supported our science fair and participated in Career Days at Colonel Gray and Charlottetown Rural High schools.

On June 6, 2001, some 200 people toured the Environment Week Open House at the J. Frank Gaudet Tree Nursery to see displays on public and private forests, riparian zone management, environmentally friendly agricultural practices, horticulture, farm safety and many other matters related to natural resources.

Site Classification

Seedling Production